



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

OCT 30 2007

VIA FAX (202-663-6363) and FIRST CLASS MAIL

Ronald C. Machen, Esquire
Wilmer Cutler Pickering, Hale and Dorr LLP
1875 Pennsylvania Avenue, NW
Washington, DC 20006

Re: MUR 5666
Mitchell Wade;
MZM, Inc. n/k/a True Norte, Inc.

Dear Mr. Machen:

On October 23, 2007, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of knowing and willful violations of 2 U.S.C §§ 441b, 441c, and 441f, provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. *See* 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Audra L. Wassom", with a long horizontal flourish extending to the right.

Audra L. Wassom
Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 5666

MZM, Inc.

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Mitchell J. Wade

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint filed with the Federal Election Commission ("Commission") by Citizens for Responsibility and Ethics in Washington and by information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities and informed by Mr. Wade's criminal plea agreement with the U.S. Department of Justice. The Commission found reason to believe that MZM, Inc. and Mitchell J. Wade ("Respondents") knowingly and willfully violated 2 U.S.C. §§ 441b, 441c and 441f.

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

Background

1. MZM, Inc. ("MZM"), a corporation registered in the state of Nevada and headquartered in Washington, D.C., sold equipment and services to the United States Department of Defense.
2. Mitchell J. Wade ("Mr. Wade") was the principal owner and Chief Executive Officer of MZM.
3. Richard Berglund was employed by MZM as a manager of an office of MZM located in Martinsville, Virginia.
4. The individuals referred to in this agreement as Employees 1, 2, 3, 4, 5, and 6 were employees of MZM and held executive-level positions.
5. The individuals referred to in this agreement as Employees 7, 8, 9, 10, 11, and 12 were employees of MZM.
6. The individuals referred to in this agreement as Spouses 1, 2, 3, 4, 5, 6, and 7 were married to Employees Berglund, 1, 2, 3, 9, 11, and 4 of MZM.
7. Goode for Congress was the principal campaign committee of Virgil Goode, a member of the United States House of Representatives.
8. Friends of Katherine Harris was the principal campaign committee of Katherine Harris, who, at the time of the events described in this Conciliation Agreement, was a member of the United States House of Representatives.
9. Goode for Congress and Friends of Katherine Harris are political committees within the meaning of 2 U.S.C. § 431(4).

Law

10. The Federal Election Campaign Act of 1971, as amended (“the Act”) prohibits any person from making a contribution in the name of another and from knowingly permitting his or her name to be used to make such a contribution. 2 U.S.C. § 441f. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii). This prohibition also applies to any person who provides the money to others to effect contributions in their names. 11 C.F.R. § 110.4(b)(2).

11. The Act also prohibits corporations from making contributions or expenditures from their general treasury funds in connection with any election of any candidate for federal office. 2 U.S.C. § 441b(a). In addition, 2 U.S.C. § 441b(a) also prohibits any officer or director of any corporation from consenting to any contribution or expenditure by the corporation.

12. The Act also contains certain prohibitions against government contractors from making a contribution to any political party, committee, or candidate for public office or to any other person for any political purpose. 2 U.S.C. § 441c(a)(1). Government contractors are also subject to the prohibitions on corporations outlined in 2 U.S.C. § 441b. 2 U.S.C. § 441c(b)

Factual Background

13. Respondents devised and engaged in a scheme to knowingly and willfully violate the Act by using MZM corporate funds to reimburse employees and their spouses for contributions to Goode for Congress and Friends of Katherine Harris. Respondents targeted these committees because they believed that Representatives Goode and Harris had the ability to request appropriations funding that would benefit MZM.

14. On March 26, 2003, MZM, Inc. PAC, a separate segregated fund affiliated with MZM, held a fundraiser for Representative Goode at MZM headquarters in Washington, D.C. Around this time, Mr. Wade provided two MZM employees, Employees 4 and 5, with corporate funds to reimburse Employee 4, his wife, Spouse 7, and Employee 5 for contributions to Goode for Congress. Employee 4, Spouse 7, and Employee 5 used funds received from Mr. Wade to make contributions to Goode for Congress.

15. In March 2005, Mr. Wade again provided MZM Employees 2, 4, 1, 12, 6, 7 and 9 with MZM corporate funds to reimburse them, and in some cases, their spouses, for contributions to Goode for Congress. The employees and their spouses used the funds received from Mr. Wade to make contributions to Goode for Congress.

16. The resulting straw contributions to Goode for Congress, which are outlined below, were made in the names of the employees or their spouses:

Date of Contribution	Straw Contributor	Amount of Contribution
3/26/03	Employee 4	\$2,000
3/26/03	Employee 4	\$2,000
3/26/03	Employee 5	\$2,000
3/26/03	Spouse 7	\$2,000
3/26/03	Spouse 7	\$2,000
3/2/05	Employee 1	\$2,000
3/4/05	Spouse 2	\$2,000
3/2/05	Employee 2	\$2,000
3/4/05	Spouse 3	\$2,000
3/2/05	Employee 3	\$2,000
3/4/05	Spouse 4	\$2,000
3/4/05	Employee 4	\$2,000
3/4/05	Spouse 7	\$2,000
3/5/05	Employee 6	\$2,000
3/2/05	Employee 7	\$2,000
3/4/05	Employee 12	\$2,000
3/2/05	Employee 9	\$2000
3/2/05	Spouse 5	\$2,000
3/4/05	Spouse 6	\$2,000

17. On or about February 16, 2005, Mr. Wade provided Berglund with MZM corporate funds to reimburse contributions to Goode for Congress in the name of Berglund, Berglund's wife and MZM employees who worked in Martinsville under Berglund's supervision. Berglund then used \$3,000 of this cash to make a contribution in his own name and in the name of his wife, Spouse 1. Berglund also provided cash to MZM Employees 8, 11, and 10 and told them Mr. Wade wanted them, and in some cases, their spouses, to contribute \$2,000 each to Goode for Congress. The resulting straw contributions to Goode for Congress, which are outlined below, were made in the names of the employees or their spouses:

Date of Contribution	Straw Contributor	Amount of Contribution
3/2/05	Richard Berglund	\$2,000
3/4/05	Spouse 1	\$2,000
3/2/05	Employee 8	\$2,000
3/4/05	Employee 11	\$2,000
3/4/05	Employee 10	\$2,000

18. On or around March 2004, Mr. Wade approached MZM Employees 1, 3, 4, 6 and 12 and used MZM corporate funds to give them cash or otherwise reimbursed them, and in some cases, their spouses, for contributions to Friends of Katherine Harris. The employees and their spouses used the money they received from Mr. Wade to make contributions to Friends of Katherine Harris. The resulting straw contributions to Friends of Katherine Harris, which are outlined below, were made in the names of the employees or their spouses:

Date of Contribution	Straw Contributor	Amount of Contribution
3/23/04	Employee 1	\$2,000
3/23/04	Employee 1	\$2,000
3/23/04	Spouse 2	\$2,000
3/23/04	Spouse 2	\$2,000
3/23/04	Employee 3	\$2,000
3/23/04	Employee 3	\$2,000
3/23/04	Spouse 4	\$2,000
3/23/04	Spouse 4	\$2,000
3/23/04	Employee 4	\$2,000

Date of Contribution	Straw Contributor	Amount of Contribution
3/23/04	Employee 4	\$2,000
3/23/04	Spouse 7	\$2,000
3/23/04	Spouse 7	\$2,000
3/23/04	Employee 6	\$2,000
3/23/04	Employee 6	\$2,000
3/23/04	Employee 12	\$2,000
3/23/04	Employee 12	\$2,000

19. At the time of the contributions listed in this Conciliation Agreement, Mr. Wade knew that it was unlawful to make contributions in the name of another to a federal campaign committee and that his actions were, therefore, unlawful.

20. On February 24, 2006, Mr. Wade pleaded guilty to multiple felony counts, including one count of election fraud by unlawfully making campaign contributions in the name of another in violation of 2 U.S.C. §§ 441f and 437g(d)(1)(D). On July 21, 2006, Richard Berglund pleaded guilty to a misdemeanor violation of 2 U.S.C. §§ 441f and 437g(d)(1)(A)(ii) by unlawfully making contributions in the name of another.

21. Respondents have cooperated with the Commission in taking complete responsibility for, and resolving their liability for violations of the Act, as well as the liability of former employees who acted as conduits for the reimbursed contributions. Mr. Wade voluntarily disclosed his violations to the U.S. Department of Justice, provided timely information to the U.S. Department of Justice, and cooperated with the Commission in resolving this matter. Mr. Wade has represented, through counsel, that he is remorseful for the harm that his actions have caused to the federal election process.

V. Respondents knowingly and willfully violated 2 U.S.C. §§ 441b, 441c, and 441f by using corporate funds to reimburse contributions made in the name of another.

VI. Respondents will take the following actions:

1. Respondents will pay a civil penalty of one million dollars (\$1,000,000) pursuant to 2 U.S.C. § 437g(a)(5)(B).

2. Respondents will cease and desist from violating 2 U.S.C. §§ 441b, 441c, and 441f.

VII. Pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) and 11 C.F.R. § 111.18, this agreement shall resolve all potential claims that the Commission may bring against the Respondents or the conduits referred to in this agreement as Employees 1 through 12 and Spouses 1 through 7 relating to the facts described in this agreement.

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

IX. Following the events described in this agreement, MZM's name was changed to True Norte, Inc.

X. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

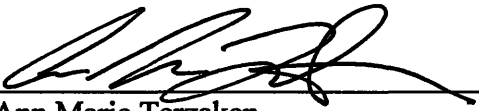
XI. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XII. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:


Thomaseenia P. Duncan
General Counsel

BY:


Ann Marie Terzaken
Acting Associate General Counsel
for Enforcement

10/24/07
Date

FOR THE RESPONDENTS:
Mitchell J. Wade and
MZM, Inc. n/k/a True Norte, Inc.


Mitchell J. Wade

10/27/07
Date